HON'BLE SHRI G.S. SINGHVI, THE CHIEF JUSTICE

AND

HON'BLE SHRI JUSTICE G. BHAVANI PRASAD

WRIT APPEAL No. 358 OF 2006

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Between:

The Central Power Distribution Company of
A.P. Ltd., 3rd Floor, Singareni Bhawan
Red Hills, Hyderabad, rep. by its
Chairman and Managing Director and another

……Appellants

And

Swastik Industries,
14-10-1276, Lower Dhoolpet,
Hyderabad, rep. by its Managing
Partner and three others

……Respondents

:: JUDGMENT ::

Counsel for the Appellants : Sri G. Vidyasagar

Counsel for Respondent Nos.1 and 2: Sri S.V. Bhatt

Counsel for Respondent Nos.3 and 4: Sri D. Prakash Reddy,
senior advocate assisted
by
Sri Srinivas Mantha

Dated: 04-04-2006

Per G.S. SINGHVI, CJ

This appeal is directed against order dated 10-03-2006 passed by the learned Single Judge in W.P.M.P No.4541 of 2006 (Writ Petition No.3646 of 2006), whereby he suspended the procurement of conductors by the appellants on the basis of confidential and non-transparent negotiations held between the appellants and respondent Nos.3 and 4 but gave liberty to the appellants to adopt all legally permissible modes for procuring conductors to meet the urgent demand.

We have heard the learned counsel for the parties and perused the record.

We entirely agree with the learned Single Judge that after having called all the twenty three eligible bidders for negotiations on 13-02-2006, where a uniform reduction was offered in the price quoted in the bids from Rs.18,656/- to Rs.18,600/-, the appellants could not have called respondent Nos.3 and 4 only for the purpose of further negotiations where the price is said to have been reduced to Rs.16,385-50.

Sri G. Vidyasagar tried to persuade us to upset the direction given by the learned Single Judge by arguing that respondent Nos.3 and 4 were chosen because they have given bids in response to the tender notice issued in the year 2005. He also submitted that all other bidders had subsequently agreed to supply conductors at the same rate i.e. Rs.16,385-50 and, therefore, no injury is going to be caused to them if the appellants are allowed to purchase conductors from respondent Nos.3 and 4, but we have not felt impressed. In our considered view, while undertaking the exercise for further negotiations with respondent Nos.3 and 4, the appellants should have given similar opportunity of negotiations to other bidders. We have no doubt that if such an exercise had been undertaken, the

price of the goods would have been further reduced and that would have certainly been in public interest.

For the reasons stated above, the appeal is dismissed. However, it is made clear that the order of injunction passed by the learned Single Judge shall operate prospectively i.e., with effect from 10-03-2006.

It is also made clear that notwithstanding the pendency of writ petition filed by respondent Nos.1 and 2, the appellant shall be free to call all the bidders for fresh negotiations and give them opportunity to reduce the price.

As a sequel to the disposal of the main writ appeal, W.A.M.P No.770 of 2006 filed for suspension of impugned order is disposed of as infructuous.

G.S.SINGHVI, CJ

G.BHAVANI PRASAD,J

04-04-2006
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